

COMMUNICATIONS ADVISORY COUNSEL LLC

2154 Wisconsin Avenue N.W.
Washington, D.C. 20007

Tel. 202-333-5273
Fax 202-333-5274

Sylvia Lesse
sylvia@Independent-Tel.com

November 1, 2007

Via electronic filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Cable & Communications Corporation
CC Docket No. 94-102
November 1, 2007 Report

Dear Ms. Dortch:

Pursuant to the Commission's *Order*,¹ Cable & Communications Corporation ("C&CC") hereby submits the following report on its progress in achieving the goal of 95% penetration of ALI-capable handsets among its subscribers.

Summary

The *Order* recently granted a six-month extension of time for C&CC to meet the ultimate goal that 95% of the handsets used by its subscribers be ALI-compliant. As noted in each of its quarterly progress reports, C&CC has gradually increased its penetration rate, averaging a growth rate of approximately one percentage point per month. C&CC's current penetration rate stands at approximately 88%,² or 2,347 of a total of 2,656 handsets used by C&CC subscribers. To meet the goal, approximately 180 existing analog handsets will require conversion to compliant equipment.

The modest but steady conversion rate reflects both the tenacity of analog users, and the determined, targeted marketing conducted by C&CC. Having already implemented every promotional and marketing strategy cited by the Commission as indicative of appropriate compliance efforts by Tier III carriers, C&CC will continue these efforts and explore additional and alternative promotional approaches. In addition, C&CC will continue its established

¹ *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, Petition for Extension of Waiver by Cable & Communications Corporation, *Order*, DA 07-4394 (rel. Oct. 26, 2007) ("*Order*"). The *Order* granted Cable & Communications Corporation ("C&CC") an extension through April 26, 2008 within which to meet the requirement of Section 20.18(g)(1)(v) that 95% of the handsets used by its subscribers be location-capable, subject to specific conditions and reporting requirements.

² As C&CC noted in its Supplement (filed September 25, 2007), the number of *subscribers* owning ALI-compliant equipment is approximately 94%, and, as reported previously and confirmed herein, no PSAP has requested Phase I or Phase II capability from C&CC.

construction plans to improve existing service and to extend new service into areas currently unserved by any wireless carrier, thus enhancing public safety generally by expanding the geographic area within which mobile communications are available in any capacity.

C&CC will continue its monthly reminder to subscribers that upgrading their analog handsets will enable them to transmit location information automatically once PSAPs have implemented Phase II E911 capabilities. In addition, the status of PSAP requests for Phase II service will also be noted. As required by paragraph 14 of the *Order*, C&CC will continue to coordinate with area PSAPs and other emergency service providers, keeping them apprised of activities and progress in meeting handset penetration goals. In addition to serving all PSAPS with copies of FCC filings, C&CC maintains regular contact with area PSAPs.

Report

Pursuant to paragraph 15 of the *Order*, C&CC provides the following information:

(1) The number and status of Phase II requests from PSAPs (including those requests it may consider invalid):

C&CC has received no official Phase I or Phase II request from any PSAP.

(2) The estimated dates on which Phase II service will be available to PSAPs served by its network:

C&CC provides cellular service to a geographic area served by nine (9) different PSAPs in Montana and one in North Dakota. Each Montana PSAP is willing to work with C&CC regarding the timing for implementation of a Phase I or Phase II request. C&CC's May 1, 2006 Report provided detailed information regarding the status of E-911 implementation plans for each PSAP, and the company has updated that information in its subsequent reports. The following reflects changes in status since C&CC's last report:

<u>PSAP</u>	<u>Anticipated PSAP Implementation Date</u>
Miles City Police Dept.	Anticipate approximately six months from Phase I capability
McCone County Sheriff's Office	No immediate plans but contemplating Phase I request

(3) The status of its coordination efforts with PSAPs for alternative 95% handset penetration dates

All PSAPs will be served with a copy of the *Order*, and this filing. All Montana PSAPs have indicated a willingness to work closely with C&CC regarding Phase II implementation schedules.

(4) Efforts to encourage customers to upgrade to location-capable handsets:

C&CC continues its two-prong approach to encouraging customers to upgrade their handsets through subscriber education and the provision of subscriber upgrade incentives.

C&CC continues its marketing campaign to encourage conversion to digital handsets, offering a free phone and free activation to analog subscribers who trade existing equipment for a compliant digital phone, plus a \$50 usage credit. As reported in its August 1, 2007 filing and in its September 25, 2007 Supplement to its pending Petition,³ C&CC has also introduced a new incentive – the elimination of a contract commitment term for analog subscribers upgrading to a LG5000 digital phone, in addition to a \$50 usage credit per surrendered analog handset.

In addition, C&CC continues to advertise its conversion program over local radio and cable television. Posters promoting the campaign are displayed in each business office, and at recent open house promotional campaigns. Monthly billing inserts and cable advertising are also utilized to remind subscribers of the benefits of digital upgrades. Examples of advertising and outreach efforts are attached. Promotions and upgrade incentive programs, as well as customer educational information, are also available on C&CC's web site.

As reported in its August 1, 2007 filing, C&CC's conduct of a door-to-door campaign, in the form of personal contact with each analog subscriber, reflected the reality that regardless of any definition of "aggressive" marketing, the relative coverage area differential between analog and digital handsets is the most frequently cited reason for reluctance to abandon analog handsets. To address this issue, C&CC continues its build-out program to improve service. To address this matter, C&CC's has recently filed for and received authorization to construct two additional cell sites that will enhance existing service and extend service into areas that currently are unserved. In addition to these two sites, four more sites are planned for construction by the end of the third quarter of 2008.

(5) Percentage of customers with location-capable phones:

C&CC reports that approximately 88% of its customers had location-capable phones as of October 15, 2007.

³

The *Order* erroneously suggested that C&CC had not informed the Commission of this benefit, suggesting in footnote 40 that C&CC "should explain whether these free handsets were offered without requiring a renewed or extended service contract."

(6) Status in achieving compliance and whether it is on schedule to meet the revised deadline

With a revised deadline of April 26, 2008 within which to meet the 95% penetration rate, C&CC will be required to achieve an average conversion rate of approximately 1.25 % per month. This projected success rate is more aggressive than the penetration rates projected or achieved by C&CC within the recent past, with the exception of the 2006 holiday season. Given the upcoming holiday season, and plans to increase the “bounty” for surrender of an analog set, increase targeted advertising of the no-contract/free phone upgrade promotion, and increase the discount on digital accessory purchase with an analog phone conversion, C&CC is hopeful that it will be able to achieve the penetration benchmark by April 26, 2008. With these factors in mind, C&CC adopts the following revised compliance schedule:

January 1, 2008	91%
February 1, 2008	92.25%
March 1, 2008	93.5%
April 1, 2008	94%
April 26, 2008	95%

The development of this projection anticipates a relatively greater success rate during the traditional buying season around the holidays, and incorporated the historic growth in penetration rates as stimulated by successful promotional campaigns.

As noted above, C&CC’s marketing promotions will focus on those campaigns that have proven relatively successful with its subscriber base. Some promotional campaigns have been abandoned, either because their appeal was limited, or because the limited number of interested subscribers had already been reached. For example, C&CC’s offer of a free external booster antenna (early 2006) was only minimally successful. Effort will be focused on those methods that have yielded reasonable results, and C&CC will endeavor to enhance the attractiveness of these promotional offerings as described above.

C&CC’s compliance efforts compare favorably with the efforts of other Tier III carriers.⁴ In fact, C&CC’s own efforts were among those cited as exemplary.⁵ The out-bound call campaign of a Tier III carrier cited with approval by the Commission is similar to C&CC’s continuing outreach program, targeting analog users and offering a free phone, currently with no service commitment.⁶ C&CC has also offered free minutes (in the form of a billing credit).⁷

⁴ See generally, *Request for Waiver of Location-Capable Handset Penetration Deadline by Sprint Nextel Corporation*, WT Docket No. 05-286, *Order*, 22 FCC Rcd 400, 411-412 ¶ 32 (2007).. The Commission noted that other carriers have offered free upgrades without requiring an additional contract commitment. *Id.*

⁵ *Id.* at n. 104.

⁶ *Id.* Puerto Rico Telephone Company dba Verizon Wireless offered: (1) a choice between two free GPS-compliant handsets with the renewal of the customer’s contract; (2) a one-year contract term rather than two years; and (3) 100 free minutes per month for three months.

⁷ *Id.* The Commission cites with approval the programs of Great Lakes of Iowa and Washington RSA No. Limited Partnership.

Ms. Dortch
November 1, 2007
Page Five

C&CC will continue those programs that have proven to be effective with the C&CC subscriber base.

Please direct any questions or correspondence concerning this matter to this office.

Respectfully submitted,


Sylvia Lesse

DECLARATION OF GERRY ANDERSON

I, Gerry Anderson, General Manager of Cable & Communications Corporation, do hereby declare under penalty of perjury that I have read the foregoing "November 1, 2007 Report" and that the facts stated therein are true and correct, to the best of my knowledge, information and belief.

October 31, 2007
Date



Gerry Anderson

Certificate of Service

I, Sylvia Lesse, of Communications Advisory Counsel, LLC, hereby certify that on this 1st day of November, 2007, I caused to be delivered, via first-class US mail, postage prepaid, a copy of the foregoing "November 1, 2007 Report," as well as a copy of the Commission's Order *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, Petition for Extension of Waiver by Cable & Communications Corporation, DA 07-4394 (rel. Oct. 26, 2007) on the following:

Captain Kevin Krausz
Miles City Police Dept.
PSAP for Custer County, Montana
PSAP for Garfield County, Montana
2420 Bridge Street
Miles City MT 59301

Sheriff Kelly Pierson
Garfield County Sheriff's Office
PO Box 103
Jordan MT 59337

Chief Alan Michaels
Glendive Police Department
PSAP for Dawson County, Montana
PO Box 1372
Glendive MT 59330

Chuck Lee
PSAP Manager - Fallon County
PSAP for Fallon, Carter,
Prairie and Wibaux Co's, MT
PO Box 1061
Baker, MT 59313

Sheriff Rusty Jardee
Carter County Sheriff
PO Box 323
Ekalaka MT 59324

Russ Lindblom
North Dakota 911 Manager
PO Box 877
Bismarck, ND 58502-0877

Jeff Cohen*
Public Safety & Homeland Security Bureau
Federal Communications Commission
445 Twelfth St, SW
Washington, DC 20554

Derek Poarch, Chief*
Public Safety & Homeland Security Bureau
Federal Communications Commission
445 Twelfth St., SW
Washington, DC 20554

Sheriff William Klunder
Prairie County Sheriff's Office
PO Box 126
Terry MT 59349

Sheriff Darby S. Harrington
Wibaux County Sheriff's Office
PO Box 322
Wibaux MT 59353

Sheriff Dave Harris
McCone County Sheriff's Office
PSAP for McCone County, Montana
905 B Avenue, PO Box 201
Circle, MT 59215

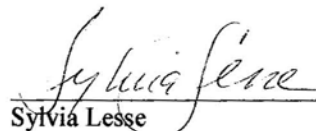
Sheriff John Blain
Powder Riv. Co. Sheriff's Office
PSAP for Powder River Co., MT
Box 71 Courthouse Square
Broadus MT 59317

Sheriff Brad Baisch
Richland County Sheriff's Office
PSAP for Richland Co., MT
110 2nd Ave NW
Sidney, MT 59270

Lisa Solf
Petroleum County PSAP
PO Box 226
Winnett, MT 59087

Jim Kenner, IT Dept.
Rosebud County Sheriff's Office
Box 85 180 S 13th St
Forsyth, MT 59327

* Via electronic mail (November 1, 2007 Report only)


Sylvia Lesse